

The Business Case for Early Care in Montana

Funders for Montana's Children and Federal Reserve Bank of Minneapolis



In today's tight labor markets, there is strong demand for child care ...

- 63 percent of children ages 0 to 5 have all their parents in the labor force.
- More than 45,000 young children need care from caregivers other than their parents.

... and supply falls short of demand

- Licensed child care facilities in Montana only have capacity to serve about 40 percent of children who potentially need care.
- Montana ranks 40th in the nation in child care availability.

Child care costs are a large expense for families

- On average, Montana families pay over \$9,000 annually for infant care and almost \$8,000 for a preschool-age child.
- Infant care in Montana costs 25 percent more than state-resident tuition and fees at Montana State University.
- For families with median state income, care for one child costs 11 percent to 13 percent of family income.

Early childhood provides the foundation for life-long learning

- The foundation for the hard and soft skills sought by employers is developed in early childhood.
- Neuroscience shows that the first few months and years of life have a strong influence on the skills a child cultivates in school and brings to the workforce as an adult.

Early care is good for businesses ...

- Availability of affordable, quality child care can help attract and retain employees with young children.
- Parents who have consistent, quality child care are less likely to miss work, more likely to return to work after parental leave, and are more productive when they are at work.
- Research shows that U.S. businesses lose nearly \$13 billion annually in reduced revenue and hiring costs due to inadequate child care for children under age 3.

... and taxpayers

- Investments in quality early care and education can yield as much as \$16 to society for every \$1 invested, particularly when reaching children from disadvantaged circumstances.
- Taxpayers benefit through reduced need for social assistance, increased income tax revenue, less burden on the criminal justice system, fewer children needing remedial education services, and fewer children repeating grades in school.

Reference: Rob Grunewald and Tegan Lane. *Early Childhood Development in Montana*. Federal Reserve Bank of Minneapolis Community Development Report, January 2018.

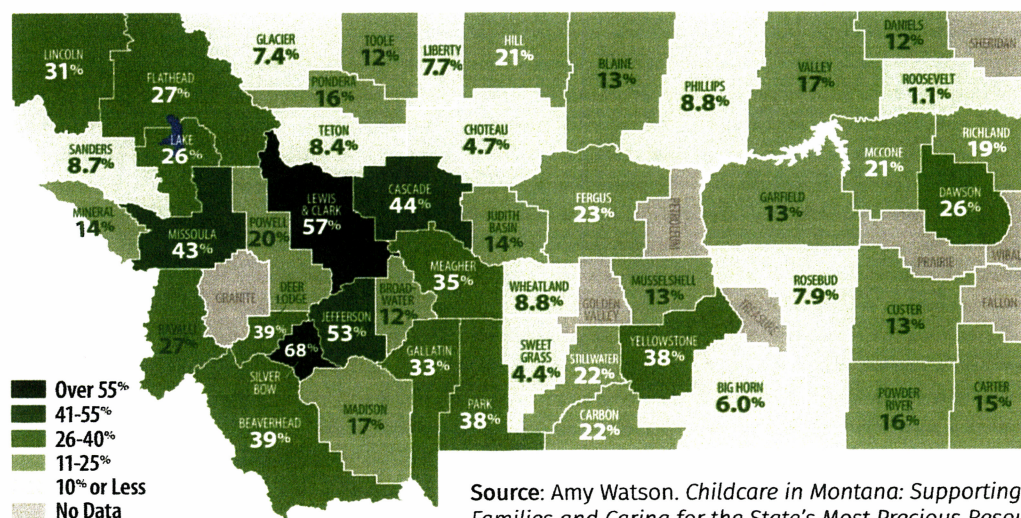
Funders for Montana's Children is a group of foundations from across Montana that have come together with the Federal Reserve Bank of Minneapolis and its Helena Branch office to disseminate information about early childhood data and resources in Montana and foster partnerships to address key issues facing young children and their families. Our goal is to increase access to high-quality, affordable child care for children ages 0 to 3 to help ensure a promising future for Montana's children and produce a globally competitive workforce for Montana businesses. Our strategy is to mobilize the private sector in Montana to create a statewide network of business leaders who:

- **LEARN**—what business leaders are doing within their companies and communities to support early care.
- **SHARE**—stories from communities about innovations in early care and workplace practices.
- **EDUCATE**—business leaders and policymakers about early care as a critical workforce and economic issue for Montana.
- **JOIN**—a network of Montana business leaders to facilitate learning, sharing, and educating.

For more information, visit Funders for Montana's Children at www.fundersformontanaschildren.org or e-mail partners@fundersformontanaschildren.org.

Child Care Capacity as a Percent of Children Under Age 5, by County

For example, a county with 50 percent has one licensed child care space for every two children under age 5 and a county with 10 percent has one licensed child care space for every 10 children under age 5.



Source: Amy Watson. *Childcare in Montana: Supporting Montana Families and Caring for the State's Most Precious Resource*. Montana Department of Labor & Industry, September 2018.

⁶⁶ Early childhood development is the compelling economic, social, and moral issue of our time. It helps provide all children with the opportunity they deserve to develop their natural abilities. It is also the most effective way to build the workforce and customer base we need. Investing in young children's healthy development is a financial and social imperative for any country. ⁶⁷

—John Pepper, Former Chairman and CEO, Procter & Gamble;
Co-Chair, ReadyNation CEO Task Force on Early Childhood

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